

EU-U.S. SUMMIT, LONDON 18 MAY 1998

The Transatlantic Economic Partnership

1. The transatlantic economic relationship is underpinned by the most important trade and economic links in the world. In order to strengthen further these links to the benefit of our people and firms, we have decided to build on the New Transatlantic Agenda signed in Madrid in 1995. This initiative will reinforce our cooperation and joint leadership in international economic relations and fora.
2. The European Union (EU) and the United States (US) share the world's largest and most complex economic relationship. Two-way trade represents around one-fifth of each other's total for goods and one-third for services. Furthermore the US and EU each account for approximately half of the other's foreign direct investment abroad. The prosperity of our populations is intertwined to an ever-increasing extent; and as the European Union has grown and deepened its integration, this process has accelerated.
3. We have a fundamental interest in a dynamic, respected system of international trade rules. The size of our economies and the volume of transatlantic trade and investment have a significant effect on this system. Past multilateral efforts to open markets have often been led by the US and EU. As we look ahead, it will be important for the US and EU to demonstrate our support for the further opening of markets world-wide.
4. In 1995, we committed ourselves to expand and deepen cooperation on economic issues through the New Transatlantic Agenda (NTA) by taking concrete steps to strengthen the multilateral trading system and enhance the transatlantic economic relationship. We are pleased with the progress of the NTA so far. Under the NTA, we have laid the basis for multilateral trade negotiations and have finalised agreements on mutual recognition of testing and conformity assessment, customs co-operation and equivalency in veterinary standards and procedures. And in December 1997 we committed ourselves to enhance our regulatory cooperation while facilitating consumer protection.
5. We now believe the time has come to build on the NTA's highly significant achievements. Accordingly, we agree to reinforce our close relationship through an initiative involving the intensification and extension of multilateral and bilateral cooperation and common actions in the field of trade and investment. Our reinforced partnership can be instrumental in setting the agenda for a more open and accessible world trading system and at the same time can greatly improve the economic relationship between the EU and US, reduce frictions between us, and promote prosperity on both sides of the Atlantic.
6. The partnership will encompass multilateral and bilateral elements as outlined below.

Multilateral action

7. In keeping with our leading role in the world trade system, we reaffirm our determination to maintain open markets, resist protectionism and sustain the momentum of liberalisation. The most effective means of maintaining open markets and promoting the expansion of trade is the continued development and

strengthening of the multilateral system. The EU and US will give priority to pursuing their objectives together with other trading partners through the World Trade Organization. Today's WTO Ministerial Conference will play an important role in carrying forward the implementation of the WTO built-in agenda and in laying the groundwork for further multilateral negotiations leading to broad-based liberalisation.

8. As part of our effort to strengthen further the multilateral system and seek wider trade liberalisation, our shared objectives are:

- a) The full implementation of WTO commitments and respect for dispute settlement obligations;
- b) Ambitious objectives and offers for the liberalisation of services in forthcoming WTO negotiations;
- c) The multilateral negotiations for the continuation of the reform process in agriculture in full conformity with Article 20 of the WTO Agreement on Agriculture;
- d) The intensification of forward-looking work in the WTO on trade facilitation;
- e) A broad WTO work programme for the reduction on an MFN basis of industrial tariffs and the exploration of the feasibility of their progressive elimination within a timescale to be agreed;
- f) The adoption of common positions on the respect for and further improvement of the intellectual property rights identified in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS);
- g) The development of common approaches in appropriate multilateral fora on investment competition, public procurement and trade and the environment;
- h) Cooperation on the accession of new members and the better integration of LLDCs in the multilateral trading system;
- i) The development of a comprehensive work programme for electronic commerce in the WTO covering trade-related aspects and will continue the current practice of not imposing customs duties on electronic transmissions;
- j) Support for the observance of internationally recognised core labour standards and the goal of reaching agreement on an ILO declaration and follow-up mechanism, noting the important role of the social partners in the process, and rejecting use of labour standards for protectionist purposes; and support for the continuation of the dialogue on measures in the relevant fora to combat corruption.

Bilateral action

9. The EU and the US will intensify their efforts to reduce or eliminate barriers to trade and investment between them. This will be done in ways which are in full conformity with their international and, in particular, WTO obligations and supportive of the primary goal of multilateral liberalisation making as much progress as possible before 2000. Such efforts will expand transatlantic commerce and reduce frictions, benefitting both our peoples. We will maintain high standards of safety and protection for health, consumers and the environment. Our partnership will not create new barriers to third countries.

10. We will focus on those barriers that really matter to transatlantic trade and investment and to this end we will aim in particular at the removal of those regulatory barriers that hinder market opportunities, both for goods and for services. We will concentrate specifically on the following:

- a) technical barriers to trade in goods, reinforcing our efforts for the elimination or substantial lowering of the remaining barriers, while further pursuing our commitment to high health, safety and environmental standards;
- b) services, with the aim of substantially improving opportunities for market opening to the benefit of consumers and small, medium and larger enterprises;
- c) agriculture, with the objective of strengthening our regulatory cooperation in the field of human, plant and animal health issues, including biotechnology, while recognising the importance of continuing to improve our respective regulatory processes and of improving our scientific cooperation;
- d) government procurement to increase and facilitate access to public procurement markets, including by enhancing the compatibility of electronic procurement information and government contracting systems;
- e) intellectual property as identified in the Agreement on TRIPS in order to improve the protection of rightholders and to reduce costs.

11. We will build on efforts already underway for goods but extending to services, to cover as wide a range of barriers and sectors as possible identifying the priorities both for the near and longer term. Instruments to achieve this will be:

- a) The mutual recognition of testing and approval procedures, of equivalence of technical and other requirements and, in certain areas, where appropriate, the progressive alignment or, where possible, the adoption of the same standards, regulatory requirements and procedures adopting internationally agreed standards where possible;
- b) The intensification of the dialogue between scientific and other expert advisers, standard setting bodies, and regulatory agencies;

c) high degree of transparency and consultation with all interested parties.

12. Within the framework of our bilateral partnership we will seek to advance our shared values in the areas of labour and environment.

13. We will explore the scope for further cooperative dialogue and greater compatibility of procedures between our competition authorities.

14. We will maintain and extend our work on electronic commerce as set out in the joint statement at the Washington Summit of December 1997.

Extending the Transatlantic Dialogue

15. The EU and US recall the imaginative and practical approach of EU and US business in the Transatlantic Business Dialogue which has contributed directly to many of the NTA's successes, such as the Mutual Recognition Agreement. We urge the TABD to continue and extend its valuable contribution to the process of removing barriers to trade and investment. We reaffirm our commitment in the New Transatlantic Agenda to promote dialogue between representatives of consumer and labour interests as illustrated by the helpful second meeting of the Transatlantic Labour Dialogue held in London in April. We invite interested non-governmental organisations to participate and extend this dialogue on consumer protection, scientific, safety and environmental issues relevant to international trade as a constructive contribution to policy making.

16. In line with our commitment to encourage greater transparency in the work of international trade bodies, we will seek to facilitate the closer association of business and other interested non-governmental constituencies with the activities of the WTO and other international trade organizations, as well as with our bilateral activities.

17. Within the framework provided by the NTA we will establish a dynamic process yielding concrete results with the intention of applying them, where agreed, at the relevant levels of government in the EU and the US; and to this end we will pursue the multilateral and bilateral actions set out in this statement as follows:

- a) Establish as soon as possible a Plan identifying areas for common actions both bilaterally and multilaterally, with a timetable for achieving specific results;
- b) Take all necessary steps to allow the early implementation of this Plan, including any necessary authority to start negotiations.¹

¹ Nothing in this text constitutes an EU negotiating mandate.